

UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
ROCKY MOUNTAIN REGION
Loveland Area Projects

TRANSMISSION LOSSES SERVICE

Applicable

This rate schedule provides for transmission losses for transactions within the Western Area Colorado Missouri Balancing Authority (WACM) as posted on the Rocky Mountain Region (RMR) Open Access Same-Time Information System (OASIS) Web site.

Effective

The first day of the first full billing period beginning on or after March 1, 2004, through February 28, 2009.

Formula Rate

Transmission losses will be assessed for all real-time and prescheduled transactions on transmission facilities managed by RMR or within WACM.

Transmission Customers will be allowed the option of energy repayment either concurrently or 7 days later, same profile. Transmission Customers must declare their preference annually as to which method of energy payback they wish to use.

However, when a transmission loss energy obligation is not provided (or is under provided) by a Transmission Customer for a transmission transaction, the energy still owed for losses will be calculated and a charge will be assessed to the Transmission

**Rate Schedule L-AS7
SCHEDULE 9 to Tariff
October 1, 2007**

Customer, based on the Loveland Area Projects (LAP) weighted average hourly real-time purchase price.

Pricing for loss energy due 7 days later, and not received by WACM, will be priced at the 7-day-later-price based on the LAP weighted average hourly real-time purchase price.

There will be no financial compensation or energy return to Transmission Customers for over delivery of transmission losses, as there should be no condition beyond the control of the Transmission Customer that results in overpayment.

Rate

This rate is in effect October 1, 2007, through September 30, 2008.

Transmission Customers may settle financially or with energy. The pricing for this service will be the LAP weighted average hourly real-time purchase price with the same defaults as Energy Imbalance Service.